IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

SOVERAIN SOFTWARE LLC, **Plaintiff,** **v.** **ORACLE CORPORATION, ORACLE OTC SUBSIDIARY LLC, BEST BUY CO., INC., BESTBUY.COM, LLC, NEIMAN MARCUS, INC., THE NEIMAN MARCUS GROUP, INC., BERGDORFGOODMAN.COM, LLC, and OFFICE MAX, INC.** **Defendants.**	§ § § § § § § § § § § § § § § §	**Civil Action No. 6:12-cv-141** **JURY TRIAL DEMANDED**

SOVERAIN'S RESPONSE IN OPPOSITION TO DEFENDANTS' MOTION TO TRANSFER

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I. INTRODUCTION

Defendants Oracle Corporation, Oracle OTC Subsidiary LLC, Best Buy Co., Inc., Bestbuy.com LLC, Neiman Marcus, Inc., The Neiman Marcus Group, Inc., BergdorfGoodman.com, LLC, and Office Max, Inc. (collectively, "Defendants") fail to meet their heavy burden to transfer this case to the Northern District of Illinois or in the alternative, to the District of Massachusetts. Defendants effectively argue that because one of the Defendants, Office Max, Inc., is headquartered in Illinois, this case should be transferred there. Defendants offer, in the alternative, that this case should be transferred to Massachusetts because the engineers who ostensibly developed the accused software purportedly live there. In seeking transfer to either jurisdiction, Defendants ignore the nationwide distribution of witnesses and evidence, make sweeping generalizations about the location of potential witnesses, fail to articulate the standard for compulsory process, and discount the time that this case has been pending. Most critically, however, Defendants ignore the judicial resources that would be wasted by transfer from this Court, which has extensive experience with construing claim terms and trying cases involving the patents-in-suit.

First, contrary to the impression left by Defendants' Motion, the party and third-party witnesses and sources of proof relevant to this case are not clustered in a particular location. For example, Defendants contend that Massachusetts is a "center of gravity" for this case because the technology that "underpins Soverain's allegations" was developed there. Defendants' own Rule 26 Initial Disclosures, served recently, betray this argument. By Defendants' own admissions, several potential witnesses live or work well outside either Illinois or Massachusetts, such as in California, Texas, Washington, D.C., and Minnesota. Additionally, each of the Defendants' disclosures includes overly broad categories of witnesses that do not list specific names. Aside from violating the spirit, if not the letter, of Fed. R. Civ. P. 26(a)(1), Defendants should not be allowed to selectively list witnesses and locations for purposes of venue while at the same time trying to incorporate broad swaths of potential witnesses through amorphous Initial Disclosures. Defendants also neglect to mention that Neiman Marcus's witnesses and evidence are located in Texas.

Second, Defendants' argument that compulsory process would be available in the Northern District of Illinois or the District of Massachusetts rests on unsupported assumptions, including that non-party witnesses will not testify willingly. Defendants cannot meet their burden with unsupported conjecture.

Third, considerations of judicial economy strongly favor keeping the case in this District. *In re Vistaprint Ltd*., 628 F.3d 1342, 1345-1347 (Fed. Cir. 2010). This Court has significant expertise regarding the technology and the claims of the patents-in-suit. In particular, this Court: (1) has construed dozens of the claim terms of the patents-in-suit multiple times before, (2) has issued orders on a litany of summary judgment and evidentiary motions involving the patents-in-suit, (3) has conducted two jury trials over the patents-in-suit, issuing final judgments in both of them, and (4) has eleven other currently-pending litigations covering the same patents-in-suit and likely many of the same issues as in this case. According to Defendants, "this Court has already construed the patents' claims, and those claim construction opinions are available for use by any transferee court." Motion at 1. But more goes into presiding over a patent litigation than simply reading previously-issued orders, including the Court's experience with the technology-in-suit and key factual and legal issues. As Defendants see it, the considerable hours spent by the Court on previous Soverain cases count for very little.

Moreover, under Defendants' reasoning, it matters not that transfer would result in duplicative litigation. This ignores the Supreme Court's mandate that permitting a situation in which two cases involving the same issues are simultaneously pending in different district courts leads to the wastefulness that 28 U.S.C. §1404(a) was designed to prevent. *Tivo, Inc. v. Cisco Systems, Inc.*, No. 2:12-cv-311, 2012 WL 3307407, at *1 (E.D. Tex. Aug. 13, 2012) (citing *Continential Grain Co. v. The FBL-585*, 364 U.S. 19, 80 S. Ct. 1470 (1996)). In short, substantial judicial economies would be achieved by maintaining this litigation in this District.

Finally, Defendants ignore that by the time the briefing is complete on this Motion, this case will have been pending for nearly nine months; Soverain has served its infringement contentions, the parties have negotiated a schedule for this matter to proceed, and the Defendants will soon serve invalidity contentions. The stage this litigation has reached weighs against transfer.

II. BACKGROUND

A. Procedural Background

On March 14, 2012, Plaintiff Soverain Software LLC ("Soverain") initiated this patent infringement suit against Defendants alleging infringement of U.S. Patent No. 5,715,314 ("the '314 Patent") and U.S. Patent No. 5,909,492 ("the '492 Patent) (collectively, "the patents-in-suit"). Dkt. No. 1. The patents-in-suit, as the Court is aware, are generally directed to network-based sales systems and hypertext statement systems. Soverain alleges that Defendants e-commerce websites, including www.shop.oracle.com, www.bestbuy.com, www.neimanmarcus.com, www.cusp.com, www.horchow.com, www.lastcall.com, www.bergdorfgoodman.com, and www.officemax.com, which are operated and maintained by Defendants nationwide, infringe certain claims of the patents-in-suit. Soverain contemporaneously filed twelve other patent infringement suits in this Court against other defendants alleging infringement of the '314 and '492 Patents.

Defendants in this case answered on June 15, 2012 and asserted counterclaims. Dkt. No. 33. Defendants contemporaneously moved to dismiss Soverain's indirect infringement claims. Dkt. No. 32. Soverain amended its complaint thereby mooting Defendants' motion to dismiss. Dkt. No. 40. On September 21, 2012, Soverain served its infringement contentions to these Defendants. Dkt. No. 58. The Court consolidated this case with the twelve other pending litigations on October 9, 2012.[1] Dkt. No. 62. The parties submitted a joint docket control order and discovery order to govern all of the Soverain matters. Dkt. No. 63 (Lead Case No. 6:12-cv-141-LED). Defendants now move to transfer this case, pursuant to 28 U.S.C. §1404(a), to the Northern District of Illinois or in the alternative, the District of Massachusetts. Dkt. No. 71.

B. Prior Litigations

In *Soverain Software LLC v. Amazon.com, Inc. and The Gap, Inc.*, No. 6:04-cv-014 (E.D. Tex. 2004) (the "*Amazon* litigation"), filed January 12, 2004, Soverain sued Amazon.com, Inc. and The Gap, Inc. in this Court for infringement of several patents, including the '314 and '492 Patents. The Court held a *Markman* hearing on January 6, 2005 and issued a claim construction order on April 7, 2005. *Amazon* Dkt. No. 246. The Court construed twenty-eight terms in the '314 and '492 Patents, nearly all of which are found in the claims asserted in this case. The *Amazon* litigation settled in August 2005 just days before the start of trial but not before the litigation resulted in over 500 docket entries.

Next, in *Soverain Software LLC v. CDW Corporation et al.*, No. 6:07-cv-511 (E.D. Tex. 2007) (the "*Newegg* litigation"), filed November 2, 2007, Soverain sued several defendants in this Court for infringement of the '314 and '492 Patents as well as another Soverain patent, U.S. Patent No. 7,272,639 ("the '639 Patent"). In the *Newegg* litigation, the Court affirmed its

[1] At the time of consolidation, there were thirteen related suits pending. Since consolidation, Soverain has settled its claims against W.W. Grainger, Inc. and GHC Specialty Brands (original case number 6:12-cv-147). Dkt. No. 78. Thus, there are now twelve co-pending suits.

constructions from the *Amazon* litigation and adopted the parties' agreed constructions for disputed terms in the '314 and '492 Patents. *Newegg* Dkt. Nos. 192 and 214. Again, several of those terms will be at issue in this case. All of the defendants in the *Newegg* litigation settled, save for Newegg, Inc. After a five-day trial in April 2010, the jury found that Newegg infringed certain claims in the '314 and '492 Patents. *Newegg* Dkt. No. 376. The jury also found that Newegg had not proven invalidity by clear and convincing evidence and awarded damages of $2.5 million. *Id*. The Court issued a Final Judgment on August 11, 2010. *Newegg* Dkt. No. 435. The Court of Appeals for the Federal Circuit is currently considering Newegg's appeal.

Finally, in *Soverain Software LLC v. J.C. Penney Corporation, Inc. et al.*, No. 6:09-cv-274 (E.D. Tex. 2009) (the "*Avon* litigation"), filed June 25, 2009, Soverain brought suit in this Court for infringement of the '314, '492, and '639 Patents by various defendants. The Court held a *Markman* hearing on October 28, 2010 and issued a claim construction order on January 13, 2011. *Avon* Dkt. No. 332. The Court construed an additional thirteen disputed claim terms of the '314 and '492 Patents. *Id*. All of these terms are likewise found in the asserted claims in this case. In November 2011, the Court held a jury trial as to Defendants Avon Products, Inc. ("Avon") and Victoria's Secret Direct Brand Management, LLC ("Victoria's Secret"). The jury found that Avon and Victoria's Secret infringed certain claims of the '314 and '492 Patents, and awarded damages of nearly $18 million. *Avon* Dkt. No. 505. After denying defendants' post-trial motions for judgment as a matter of law, the Court entered a Final Judgment on August 22, 2012. *Avon* Dkt. No. 559.

III. APPLICABLE LAW

Section 1404(a) provides that "[f]or the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought." 28 U.S.C. § 1404(a). The party seeking transfer of venue must show good cause. *In re Volkswagen of America, Inc.*, 545 F.3d 304, 315 (5th Cir. 2008) ("*In re Volkswagen I*"). To show good cause, the movant must demonstrate the proposed transferee venue is clearly more convenient. *Id.*

When deciding whether to transfer venue, a district court balances two categories of interests: the private interests, *i.e.*, the convenience of the litigants, and the public interests in the fair and efficient administration of justice. *In re Volkswagen I*, 545 F.3d at 315. To prevail, the Defendants must show that the public and private interests "clearly" favor transferring the case. *Id.*

IV. ARGUMENT

A. The Private Interest Factors Do Not Favor Transfer

In assessing a motion to transfer, the Court is to consider: (1) the relative ease of access to sources of proof, (2) the availability of compulsory process to secure the attendance of witnesses, (3) the cost of attendance for willing witnesses, and (4) all other practical problems that make trial of a case easy, expeditious and inexpensive. *In re TS Tech USA Corp.*, 551 F.3d 1315, 1319 (Fed. Cir. 2008). Here, all of the private interest factors demonstrate that this case should remain in this District.

1. Accessibility to Sources of Proof Does Not Favor Transfer

Defendants argue that "[s]ources of proof will be more easily accessed in Illinois or Massachusetts." Motion at 5. In particular, Defendants argue that Defendant Office Max is located in Illinois and that Defendant Best Buy is located in Minnesota, which is closer to Illinois than to Texas thereby making Best Buy's evidence more easily obtained. *Id.* at 5-6. Defendants add that the source code and engineers that developed the "accused e-commerce software that underlies Soverain's infringement accusations" are located in Massachusetts. *Id.* at 6.

Contrary to Defendants' Motion, the evidence in this case is distributed across the country. Defendants' Rule 26 Initial Disclosures confirm this. First, Defendant Oracle Corporation is located in California as are its witnesses. For example, Oracle identifies Mr. Jignesh Shah and Mr. Roger Scott as persons with knowledge of the "design and operation of the accused Oracle Store on Oracle's public website." See Exhibit A (Oracle's Initial Disclosures served November 16, 2012) at 6. Oracle did not provide an address for Mr. Shah or Mr. Scott, but according to publicly available information, it appears both are located in northern California. *See* Exhibit B (Lahad Declaration) at 1 (citing http://www.linkedin.com/in/jkshah and http://www.linkedin.com/in/rogerscott). Another witness identified by Oracle to have knowledge of the "design and operation of the accused Oracle Store on Oracle's public website" is Mr. Michael Hichwa, who upon information and belief resides in Washington, D.C. *See id.* (citing http://www.linkedin.com/pub/michael-hichwa/6/446/2a6).

Second, conspicuously missing from Defendants' recitation of potential sources of proof is anything related to Neiman Marcus. This is because, of course, Neiman Marcus, its witnesses, and its sources of proof are located in Dallas, Texas. Indeed, according to Neiman Marcus's Rule 26 Initial Disclosures, its primary witnesses are located in Dallas, Texas. *See* Exhibit C (Neiman Marcus's Initial Disclosures served November 16, 2012) at 6. This, too, undermines Defendants' notion that Illinois and Massachusetts are "centers of gravity" for this case.

Finally, in each of the their respective Rule 26 Initial Disclosures, the Defendants in this case identify three overly broad, amorphous categories of potential witnesses that further expand the distribution of potential sources of proof. Those categories are: (1) "authors and inventors of any prior art references identified and produced in this litigation," (2) "any witness identified by Plaintiff, any co-Defendants, or any other witness at any point during this action," and (3) "witnesses identified by the parties in previous actions involving the asserted patents." *See* Exhibit A at 9; Exhibit C at 10; Exhibit D (Best Buy's Initial Disclosures served November 16, 2012) at 9;

and Exhibit E (Office Max's Initial Disclosures served November 16, 2012) at 10. Rule 26 demands more. Rule 26 requires:

> Except as exempted by Rule 26(a)(1)(B) or as otherwise stipulated or ordered by the court, a party must, without awaiting a discovery request, provide to the other parties … the name and, if known, the address and telephone number of each individual likely to have discoverable information—along with the subjects of that information—that the disclosing party may use to support its claims or defenses, unless the use would be solely for impeachment.

Fed. R. Civ. P. 26(a)(1)(A)(i). Defendants should not be permitted to play fast and loose with their disclosure obligations by identifying a few "catch-all" categories of witnesses for Rule 26 purposes but then argue with exact specificity that witnesses reside in certain location for venue purposes. But even if such disclosures were proper, under Defendants' second broad category—"any witness identified by Plaintiff, any co-Defendants, or any other witness at any point during this action"—co-Defendants have identified witnesses in Texas, Massachusetts, Wisconsin, California, North Carolina, Virginia, Kansas, New York, Washington, Oklahoma, Minnesota and Hawaii. *See, e.g.*, Exhibit F (Initial Disclosures of Defendant Nordstrom, Inc., served November 16, 2012) at 7-8; Exhibit G (Initial Disclosures of Defendant Macy's, Inc., served November 16, 2012) at 10-11.

With respect to documents, "in patent infringement cases, the bulk of the relevant evidence usually comes from the accused infringer." *In re Genentech, Inc.*, 566 F.3d 1338, 1345 (Fed. Cir. 2009). However, during previous litigations in this District, Soverain produced a substantial number of documents and source code. It is very likely that these documents and source code, which are located in Illinois, Texas, and Washington, D.C., will be produced as part of this litigation.

Finally, Defendants concede later in their own Motion that the sources of proof are distributed. In their discussion on the cost of attendance for willing witnesses, Defendants admit that in this case, "sources of proof are distributed." Motion at 7. Despite this, Defendants claim that the vast majority of the relevant testimony and evidence will come from Chicago or Massachusetts. Defendants' own disclosures, however, demonstrate that witnesses and documents are distributed nationwide, including locations closer to this District than to the Northern District of Illinois or the District of Massachusetts. Accordingly, transferring the case would merely shift the inconvenience from one party to another. Shifting the inconvenience does not support transfer. *Advanced Data Access LLC v. Toshiba Corporation et al*., No. 6:11-cv-621-LED-JDL, at *8 (E.D. Tex. Sept. 7, 2012) (ordering denying motion to transfer); *see also Sybase, Inc. v. Vertica Systems, Inc.*, 2008 WL 2387430, at *3 (E.D. Tex. June 9, 2008). In short, because of the varied locations of sources of proof, this factor weighs against transfer.

2. The Availability of Compulsory Process Does Not Favor Transfer

This factor will weigh more heavily in favor of transfer when more third-party witnesses reside within the transferee venue. *In re Volkswagen I*, 545 F.3d at 316. This factor will weigh the heaviest in favor of transfer when a transferee venue is said to have "absolute subpoena power." *Id.*; *In re Hoffmann-La Roche Inc.*, 587 F.3d 1333, 1338 (Fed. Cir. 2009).

Defendants argue that this factor favors transfer because "[l]ikely non-party witnesses are located in Illinois and Massachusetts" and "none are located in this District." Motion at 9. The subpoena power of a court, absolute or otherwise, will only need to be exercised if a witness chooses not to testify on his or her own. As to the parties' current and former employees, Defendants assume without support that (1) either party would want to call those individuals at trial, (2) those individuals would not testify willingly, and (3) those individuals would remain within the subpoena power of the Northern District of Illinois or the District of Massachusetts. Moreover, multiple third parties—such as the "authors and inventors of any prior art references identified and produced in this litigation" whom the Defendants "identify" in their Rule 26 disclosures—likely live well outside the subpoena power of either court. This factor does not favor transfer.

3. The Cost of Attendance for Willing Witnesses Does Not Favor Transfer

Defendants argue that this factor favors transfer because witnesses are located closer to the Northern District of Illinois or the District of Massachusetts than to this District. Motion at 7. Even for those witnesses outside of Chicago or Massachusetts, Defendants argue—citing the availability of non-stop flights—that the travel time to Chicago makes attendance for those witnesses more convenient. *Id*. at 8.

As an initial matter, courts in this District have repeatedly held that a nationwide distribution of witnesses counsels against transfer. *See Oasis Research, LLC v. Carbonite, Inc*., No.4-12-cv-525, 2012 WL 3600680, at *4 (E.D. Tex. Aug. 21, 2012) (finding this factor neutral based on the location of various witnesses across the United States); *Centre One v. Vonage Holdings, Corp*., No. 6:08-cv-467, 2009 WL 2461003, at *6 (E.D. Tex. Aug. 10, 2009) (finding this factor weighed against transfer when potential witnesses were scattered across the country); *see also Portal Techs. LLC v. IAC/Interactivecorp. et al*., No. 2:11-cv-439, 2012 WL 3494826, at *3 (E.D. Tex. Aug. 15, 2012) (finding this factor neutral when witnesses are "scattered throughout the country").

Additionally, this factor is analyzed giving broad "consideration to the parties and witnesses in all claims and controversies properly joined in a proceeding." *MOSAID Techs., Inc. v. Freescale Semiconductor, Inc. et al.*, No. 6:11-cv-173 at *7 (E.D. Tex. Sept. 27, 2012) (slip op.) (quoting *In re Volkswagen AG*, 371 F.3d 201, 204 (5th Cir. 2004)). All potential material and relevant witnesses must be taken into account for the transfer analysis, irrespective of their centrality to the issues raised in a case or their likelihood of being called to testify at trial. *Id*. (citing *In re Genentech*, 566 F.3d at 1343). In other words, a court should consider the entire set of potential witnesses in determining whether this factor favors transfer. Moreover, the convenience of non-party witnesses is accorded greater weight than that of party witnesses. *Shoemake v. Union Pacific R.R. Co.*, 233 F. Supp. 2d 828, 832 (E.D. Tex. 2002). As discussed above, Defendants acknowledge that potential material and relevant witnesses can be found in Washington, D.C., Minnesota, Massachusetts, California, Washington, and even Texas.[2]

4. Judicial Economy Weighs Heavily Against Transfer

As discussed above, this Court has invested considerable resources with respect to the patents-in-suit. This Court has construed numerous of the relevant claim terms several times before, has issued orders on a litany of motions for summary judgment involving the patents-in-suit, held several hours of hearings, and has conducted two jury trials over the patents-in-suit and issued final judgments in both of them.[3] Additionally, Soverain has asserted these patents against defendants in eleven other currently-pending actions filed before the Court. This Court's familiarity with the asserted patents and the relevant technology and the co-pending litigations is sufficient on its own to deny transfer:

> Here, the trial court became very familiar with the only asserted patent and the related technology during a prior litigation. That, coupled with the fact that there is co-pending litigation before the trial court involving the same patent and underlying technology, provides a substantial justification for maintaining suit in the Eastern District of Texas.

In re Vistaprint Ltd., 628 F.3d at 1345-1347.

Moreover, if the Court were to transfer these proceedings to the Northern District of Illinois or the District of Massachusetts, another court would be required to conduct duplicative—and wasteful—proceedings regarding claim construction, expert discovery, and other issues. This is antithetical to principles of transfer. As Judge Gilstrap recently held:

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[2] Defendants' cited case, *Ventronics v. Drager*, 2011 U.S. Dist. LEXIS 154793 at *10-12 (E.D. Tex. Oct. 20, 2011), is easily distinguishable. In *Ventronics*, "much of the evidence available in the United States is located along the East Coast…." *Id*. That is not the case here. The evidence is located on both coasts and at several locations in between.

[3] Based on the minutes of the hearings and assuming eight hours per day of trial, the Court has presided over nearly 110 hours of hearings and trial in the prior Soverain litigations. This does not include the amount of time the Court has spent preparing for these hearings and trial.

> [T]he EDTX is in a unique position to completely adjudicate the overlapping disputes among all parties involved. Further, this Court can avoid duplicative actions, depositions, and discovery, and will be able to coordinate common schedules appropriately to address streamlined disputes shared in all of these related cases. … The Supreme Court instructs trial courts that the existence of multiple lawsuits involving the same issues is a *paramount consideration* when determining whether a transfer is in the interests of justice and that permitting a situation in which two cases involving the same issues are simultaneously pending in different District Courts leads to the very wastefulness of time, energy, and money that 28 U.S.C. §1404(a) was designed to prevent.

TiVo, 2012 WL 3307407, at *1 (emphasis in original). Other courts in this District, not to mention the Federal Circuit, have reached the same conclusion. *See Net Navigation Sys., LLC v. Cisco Systems, Inc.*, No. 4:11-cv-660, slip op. at 9 (E.D. Tex. Aug. 24, 2012) (finding this factor weighed against transfer when plaintiff filed two other cases in the same district alleging infringement of the same four patents); *Portal Techs.*, No. 2:11-cv-439, at 6 (finding this factor weighed against transfer in light of a previously-held *Markman* hearing and two co-pending suits involving the same patents); (*Oasis Research*, 2012 WL 3600680, at *4 (holding that judicial economy weighed heavily against transfer when "the parties and the Court have already expended significant resources negotiating issues of scheduling, discovery, and protective orders" and transfer would duplicate those efforts); *In re Volkswagen of America, Inc.*, 566 F.3d 1349, 1351(Fed. Cir. 2009) (denying mandamus relief of district court's denial of transfer, which was "based on the rational argument that judicial economy is served by having the same district court try the cases involving the same patents"); *Centre One*, 2009 WL 2461003, at *7 (holding that defendant's "convenience alone fails to outweigh the glaring inefficiency of prosecuting two, nearly identical, complex patent infringement cases in different fora."). Transfer would create duplicative and wasteful co-pending litigations in Texas and Illinois or Massachusetts, which does not support transfer.[4]

Defendants attempt to downplay the import of the previous litigations and the overlap between those litigations and the pending litigations. *See, e.g.*, Motion at 9 ("[O]ther than the patents themselves, there is no common factor linking Soverain's prior cases to the myriad defendants and products accused in the 13 actions."). In reality, Soverain asserts several of the same claims against Defendants as it asserted in the past, including claims that were part of the previous jury trials. *See* Exhibit H (Soverain's Disclosure of Asserted Claims and Infringement Contentions against Oracle Corp. et al.). Additionally, the same claim constructions will be brought to bear in this case as in the previous litigations. But even where there are differences between cases, the Federal Circuit has repeatedly held that maintaining two cases before the same court may be beneficial from the standpoint of judicial resources. *In re Vistaprint*, 628 F.3d at 1344 ("[E]ven if trying these two related cases before the same court may not involve the same defendants and accused products, it does not appear on its face erroneous to conclude that maintaining these two cases before the same court may be beneficial from the standpoint of judicial resources."); *see also In re Volkswagen*, 566 F.3d at 1352.

Defendants pin their hopes to cases holding that previously hosted litigation does not warrant denying transfer. Motion at 10-11. None of Defendants' cases deal with a factual situation where a court, like the Court here, has expended so much time and effort on issues involving the same asserted patents. For example, Defendants cite *In re Verizon Bus. Network Servs. Inc.*, 635 F.3d 559, 561-562 (Fed. Cir. 2011) for the proposition that judicial economy

[4] The Court's recent consolidation of this case with the co-pending cases further reflects the commonality of issues between the cases and the judicial economy gained by keeping the litigations in the same district. Dkt. No. 54 ("Because the above-styled cases involve a common question of law or fact, consolidation of the cases would promote efficient case management.").

does not weigh against transfer in this case. In *Verizon*, however, the Federal Circuit held that a five-year-old claim construction alone could not support the denial of a motion to transfer. And in *In re Zimmer Holdings*, the Federal Circuit found a "negligible" overlap between the plaintiff's two actions where only a single patent was common to both suits. 609 F.3d 1378, 1382 (Fed. Cir. 2010). Here, as outlined above, this Court has done much more than issue one claim construction order and Soverain asserts two patents asserted in all three previous litigations and in the eleven other pending suits. This is hardly a "negligible" overlap.[5]

Defendants contend that "this Court has construed these patents on three previous occasions, and those claim construction opinions are available to any transferee court." Motion at 10. Defendants miss the point. After three *Markman* orders, two jury trials on these patents, two final judgments (the last of which issued just months ago), numerous motions and hearings, the Court should be able to leverage its accumulated knowledge and expertise into efficient handling of this case. Transfer vitiates those potential gains.

B. The Public Interest Factors Do Not Support Transfer

The "public interest" factors that a Court should consider in determining whether transfer is appropriate are: (1) the administrative difficulties flowing from court congestion; (2) the local interest in having localized interests decided at home; (3) the familiarity of the forum with the law that will govern the case; and (4) the avoidance of unnecessary problems of conflicts of law or in the application of a foreign law. *In re TS Tech*, 551 F.3d at 1319.

[5] At page 10 of their Motion, Defendants contend that "the USPTO recently rejected several claims of the '492 Patent, further limiting the relevance of Soverain's prior litigation." Defendants, however, fail to mention that two months after the Office Action rejected the claims, Soverain filed a response. Defendants also fail to mention how after reviewing this response, the PTO reversed and confirmed all previously-rejected claims as patentable. *See* Exhibits I (Notice of Intent to Issue Reexamination Certificate) and J ('492 Reexamination Certificate). The PTO issued the Notice of Intent to Issue Reexamination Certificate on October 26, 2012—more than two weeks before Defendants filed the instant motion. Thus, contrary to Defendants' Motion, the '492 Patent is still a significant part of this litigation.

1. The Respective Degrees of Congestion Weighs Against Transfer

The first public factor is court congestion, which weighs against transfer because, as Defendants concede, time to trial in both the Northern District of Illinois and the District of Massachusetts is longer than in this District. Further, time-to-trial statistics assume the same filing date and this case has been pending for nine months. This amounts to waste and weighs against transfer. *See MobileMedia Ideas LLC v. HTC Corp.*, No. 2:10-cv-112, 2012 WL 1570136, at *7 (E.D. Texas 2012), *aff'd In re HTC Corp.*, 201-M130, 2012 WL 4198258 (Fed. Cir. Sept. 20, 2012).

2. The Local Interest Factor Is Neutral

In a patent infringement case where the accused products are sold nationwide, the alleged injury does not create a substantial local interest. *In re TS Tech*, 551 F.3d at 1321. Defendants argue that because Chicago is home to Soverain and one of the Defendants and because Massachusetts is home to the group that purportedly developed the accused software, this factor favors transfer. Motion at 12. Defendants overlook Neiman Marcus's substantial presence in Texas and the other Defendants' presences in places like Minnesota and California. Even giving Defendants the benefit of the doubt, this factor would only slightly favor transfer.

3. The Remaining Public Interest Factors are Neutral

Soverain agrees with Defendants that the remaining public interest factors are neutral.

V. CONCLUSION

When all of the relevant facts and circumstances are considered, Defendants have not demonstrated that the Northern District of Illinois or the District of Massachusetts are "clearly more convenient" than this District. Thus, transfer under §1404(a) is unwarranted, and the Court should deny Defendants' Motion.

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By: /s/ John P. Lahad

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3) on December 5, 2012.

/s/ John P. Lahad